



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

Bendigo and Adelaide Bank

Business Description

Bendigo and Adelaide Bank Limited (BEN, formerly Bendigo Bank) was formed in November 2007 as the result of a merger of Bendigo Bank and Adelaide Bank. BEN provides a range of banking and financial services, including retail banking, third party mortgages, business lending, margin lending, business banking and commercial finance, funds management, treasury and foreign exchange services, superannuation, financial advisory and trustee services.

Strategy Analysis

Retail banking is built on the existing Bendigo franchises, focusing on the Community Banking network in population centres which larger banks have neglected. Wholesale mortgages and other innovative lending inherited through Adelaide Bank will continue being pushed through direct and indirect distribution channels. Margin Lending remains a key growth segment while wealth management seeks cross selling opportunities. Acquisitions will focus on the Margin Lending and Wealth management areas with organic growth and merger acquisitions targeting the traditional retail banking business. Bendigo and Adelaide Bank reported NPAT down 57.7% to \$83.8m for the year ended 30 June 2009. Bendigo and Adelaide Bank announced a cash earnings result of \$182.2m for the 12 months ending 30 June 2009, a 24% reduction on the pcp. The reduced profit was attributable to a slowing economy and global recession, an unprecedented drop in official cash rates and increased funding costs. Revenue from ordinary activities were \$873.7m, up 0.4% from last year. Diluted EPS was 25.6 cents compared to 87.6 cents last year. Net operating cash flow was \$127.2m compared to \$157.9m last year. The final dividend declared was 28 cents, taking the full year dividend to 43 cents compared with 65 cents last year.

28 July 2010

Recommendation

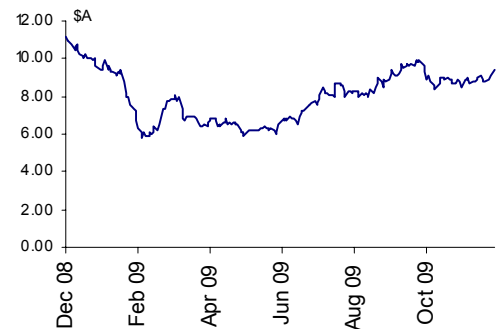
Recommendation: Neutral
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: BEN
Stock price: \$8.19
Market cap: \$2,960m

Y/E	30/06/2010	2010e	2011e	2012e	2013e
Reported e	\$m	246.7	315.3	339.3	378.2
Adjusted e	\$m	273.3	326.7	350.7	383.6
EPS adjusted	¢	78.2	89.9	94.8	101.9
EPS growth	%	22.9	15.0	5.5	7.5
PE	x	10.5	9.1	8.6	8.0
PE relative	x	0.7	0.8	0.9	0.9
DPS	¢	57.0	60.0	64.0	70.0
Yield	%	7.0	7.3	7.8	8.5
Franking	%	100.0	100.0	100.0	100.0

Share Price



Source: ASX and Company accounts

Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Retail Banking	58.0	0.5	14.1	5.0%	-15.0%
Partner Advised Banking	26.4	0.7	45.5	1.0%	10.0%
Wealth Solutions	12.3	1.7	48.4		
Joint Venture	3.3	5.9	100.0		
Total	100.0	8.8	208.0		
Results by Geography				Dividend Reinvestment Plan	Yes
Australia	100.0	100.0	100.0	Shareholder Discounts	No
Total	100.0				

Company contact details:

Bendigo and Adelaide Bank Limited
The Bendigo Centre,
Bendigo VIC 3550
Tel: 1300 361 911

www.bendigoadelaide.com.au/public

If you have any queries regarding this Research information or with any aspect of your legalsuper account please call legalsuper on 1800 060 312 (freecall) or email mail@legalsuper.com.au

Disclosure: In accordance with Section 849 of the Corporations Law, Macquarie Equities Limited states that The Macquarie Group acted as Joint Lead Manager and Underwriter to Bendigo and Adelaide Bank Limited in respect of its placement and entitlement offer as announced 10 August 2009. Within the last 12 months, Macquarie Group has received compensation for investment advisory services from Bendigo and Adelaide Bank Limited.

Disclaimer: This report is prepared for general circulation and does not have regard to the particular circumstances or needs of any specific person who may read it. The information contained herein is believed to be reliable, but its completeness and accuracy is not guaranteed. Opinions expressed may change without notice. No part of this report is to be construed as a solicitation to buy or sell any security. We do not accept any liability, whether direct or indirect arising from the use of information contained in this report. International investors are reminded of the risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Any transaction by US persons in any security discussed in this report must be carried out through Macquarie Equities (USA) Inc which has distributed this report in the US. This report is issued in the UK by Macquarie Equities Limited, which is a member of the Securities and Futures Authority. The investments and investment services the subject of this report are not available to private customers in the UK. The material in this publication is copyright and may not be reproduced without consent of the copyright owner.